



SEAPORT

NORTH CENTRAL IDAHO: CLEARWATER, IDAHO, LATAH, LEWIS, & NEZ PERCE COUNTIES

2004 YEAR-IN-REVIEW AREA DEVELOPMENTS

Clearwater County

- In 2004 the City of Orofino was awarded a \$47,588 Gem Community Grant from Idaho Commerce & Labor, which was matched with \$146,242 in local dollars to pay for engineering and construction expenses associated with the development for the new Best Western Motel in Orofino. The project extended city water infrastructure to the property line.
- Sport fishing in Clearwater County generates millions of dollars for local communities. In 2004, \$87 million was spent in North Central Idaho. More than 470,000 fishing trips were made to the region with the greatest percentage of the money spent on restaurants and groceries, followed by transportation, fishing tackle, equipment, hotels and campgrounds, and outfitters and guides.
- Orofino, an Idaho community along the Lewis-Clark Trail, was chosen for the unveiling of the new Lewis & Clark U.S. postal stamp in 2004. Visitors to Clearwater County are expected to increase in 2005 as they follow in the footsteps of Lewis & Clark across North Central Idaho. Visitors will see untamed land, much the same as the explorers saw it 200 years ago when they made their way along the high ridgeline route.
- Seismic Tech, a company that once planned to employ as many as 150 in Orofino, has closed and the City of Orofino is considering litigation. Seismic Tech left Orofino where it occupied the city-owned Orofino Business Center, said Rick Laam, Orofino city administrator. Laam believes Seismic Tech is no longer in business.
- The U.S. Forest Service is in the process of researching the possible consolidation and relocation of 23 positions from the Clearwater National Forest in 2005.
- Watco prepared paperwork to abandon about 30 miles of rail line near Orofino. The line connects Konkolville with the former Jaype plywood plant near Pierce. Watco acquired Camas Prairie RailNet in March and renamed it the Great Northwest Railroad. The railroad also travels up the Clearwater Valley to Kooskia and links the Lewiston-Clarkston area with tracks of major carriers in eastern Washington.

Idaho and Lewis Counties

- Work is progressing on the Clearwater Basin Project Act (Senate Bill 433), which is legislation designed to provide enhanced forest stewardship management within the Clearwater and Nez Perce national forests. The act is modeled after the Resource Advisory Committees, established by the Craig-Wyden Bill,

and by recommendations from Idaho's Federal Lands Task Force. If passed, the bill would empower a committee of local residents and experts to work with the U.S. Forest Service to direct management of 2.7 million acres of national forest.

- Construction of the Elk City business incubator project is underway. A local group, Framing Our Community (FOC), is sponsoring the project. The development will be a three-phase operation. Phase one—a 5,000-square-foot building with 2,000-square-feet of office space—is currently under construction. Phases two and three would involve future additions to the building. FOC has been working on the incubator for three years, which is located in an open meadow area on State Highway 14 at the west end of Elk City.
- Major changes are in the works for Snowhaven Ski Area near Grangeville. A new tubing hill has been completed and the board is hoping to generate enough revenue from the tubing hill to expand ski runs, build a new lodge and install a chair lift.
- Two Idaho County bit and spur makers were featured nationally and internationally in the recently released book, *Bits & Spurs: Motifs, Techniques and Modern Makers*. The two Idaho County businesses featured are Custom Bit and Spur, located in Stites, and Rags Bit and Spur of Grangeville.
- A new restaurant, Ernie's Steak House, was constructed at the former Crossroads Café site in Grangeville. The business includes a full bar to be named The 41 Club.
- The Monastery of St. Gertrude broke ground in July 2004 for a nearly \$7 million conference and spirituality center. Building plans include a 120-seat conference room, 760-square feet of climate controlled museum and archive storage space, 22 double-occupancy private rooms and a number of offices. Guests will be treated to a tremendous view of the prairie.
- In 2004, a local group of investors purchased 275 acres of land south of Grangeville and is working on plans for establishing a new subdivision. The development acreage borders Grangeville Country Club to the east and the south.
- Bennett Forest Industries will be moving its Elk City sawmill to Grangeville. The company already has a planning and shipping facility in Grangeville, and will upgrade and expand facilities to accommodate the new sawmill. Company officials cited the need

to improve production and to be more centrally located to its available resource base as factors dictating the move. No jobs are expected to be lost. Instead the company estimates 10 to 15 new jobs will be created, but the jobs will be in Grangeville instead of Elk City.

- According to school officials, enrollment has steadily decreased for the past seven to eight years in Grangeville, Riggins, Kooskia, White Bird and Elk City. Economic conditions are cited as the main reason for the decrease, resulting in mill closures in the county and migration of families to urban areas to find work, according to school district officials
- Sport fishing in Idaho County generates thousands of dollars in spending for local communities. In 2004, \$87 million was spent in North Central Idaho. More than 470,000 fishing trips were made to the region with the greatest percentage of the money spent on restaurants and groceries, followed by transportation, fishing tackle, equipment, hotels and campgrounds, and outfitters and guides.
- Several new businesses have opened in Craigmont, helping to revive a slumping economy caused by the closure of a sawmill several years ago. Businesses include Prairietech, a computer repair business, and a new branch of the Cottonwood Community Federal Credit Union. In addition, entrepreneurs are breathing new life into the long-neglected Camas Club and Craigmont Hotel.
- In the annals of American roadside eccentricities, the big beagle looming above U.S. 95 just outside Cottonwood isn't just a carving...it's 30-feet tall, artfully decorated, fully plumbed and is the nation's only bed and breakfast in a dog. Woodcarver Dennis Sullivan and manager/wife Frances built the world's biggest beagle as a way to promote Dog Bark Park, the 2.5-acre home of the couple's chainsaw carving studio and gift shop. So far, the gamble seems to be paying off. The big dog has been featured in Highlights for Children magazine and the Eccentric America Travel Guide.
- Farmers in Idaho and Lewis counties are intrigued by the idea of making more money from their wheat crops by forming a co-op to build and run an ethanol plant. But the proposed \$23 million price tag may be a stumbling block. The idea has gained momentum and a steering committee has been formed that includes four area farmers, a local businessman and the local economic development specialist to develop a feasibility study.

Latah County

- Advanced Hardware Architectures, Inc., a high-tech engineering firm, returned home to Moscow from Pullman, Washington, in 2004. With the help of an Idaho Rural Community Block Grant program, a 12,000-square-foot building was constructed to be

leased to the firm in the Alturas Technology Park. The company expects to retain 18 high-salary jobs and create eight more in 2005. With the addition, Alturas Technology Park in east Moscow is ready to move into the second and final phase of development beginning with improvements to six additional lots for technology-related businesses. While it has attracted businesses outside of the area, Alturas was designed for technology-related businesses that started up at the University of Idaho. Prior to the creation of Alturas, new businesses would typically relocate to Coeur d'Alene or eastern Washington. A few businesses already have expressed interest in locating to the phase two lots.

- The company formerly known as Alchemy Ventures received 10 mineral leases from the Idaho Department of Lands in 2004, which will allow for clay mining in eastern Latah County. The company, now called i-minerals inc., has the authority to mine for feldspar, quartz and clay on 4,649 acres of state land outside Bovill and Helmer.
- After a year of construction that virtually doubled its size, Gritman Medical Center in Moscow opened its new addition in 2004. The 52,000-square-foot, \$20 million addition was the largest in the hospital's 106-year history. The addition focuses largely on women's health with a new birthing and women's imaging centers on the first floor. The first floor also includes expanded outpatient services, a laboratory and a gift shop. The second floor houses inpatient surgery and critical care facilities.
- The Palouse Surgery Center, a 9,700-square-foot building at 2300 West A Street (on the hill above Wal-Mart) opened in May 2004.
- The old school building in Troy was sold to Potting Shed Creations, a garden and gifts company from Pullman, Washington. Some employees moved with the company while more were hired from the area. The move provided more space, requiring more workers.
- Wal-Mart filed application papers with Moscow's sister city, Pullman, Washington, to build a Wal-Mart Supercenter on a 28-acre site on the south side of Bishop Boulevard. No progress dates have been released.
- Shipping wheat by rail from the Palouse has been assured for another 15 years. The Washington State Department of Transportation announced an \$8 million purchase in November of the Palouse River and Coulee City Railroad (PRCC) right-of-way and tracks. The PRCC Railroad, which had been owned and operated by Kansas-based Watco Inc., runs throughout Latah County and Whitman County in Washington and into neighboring counties where it connects to na-

tional rail lines. Under the agreement reached with Watco, the company will continue to own the trains and railroad cars and will bill shippers for its services. The line transports about 20 percent of the wheat from the region, and about \$160 million worth of goods are shipped on the railroad each year. In addition to the \$8 million cost of buying the tracks, the state has agreed to spend \$22 million to repair and upgrade the 300 miles of rail lines that make up the PRCC.

University of Idaho Developments

- With record high prices of gasoline and diesel affecting motorists across the nation, it's no surprise some people are attracted to the idea of growing their own fuel. As the technology of the alternative fuel called biodiesel continues to evolve, the possibility of producing it may become a reality. Biodiesel is used at the University of Idaho where it powers university vehicles and the Vandal Trolley, which is used as transportation for special events. The UI biodiesel program uses oil extracted from mustard seed. Soybeans and waste fats from restaurants and rendering plants also can be used as biodiesel oil sources.
- The UI Foundation has paid half of the \$26 million dollar debt it incurred in its failed attempt to build the University Place satellite campus in Boise. If the foundation's plans stay on track, the entire debt could be paid off as early as spring 2005.
- The largest scientific conference in the state's history will take place in 2005 at UI. The international Geochemical Society's V.M. Goldschmidt Conference is expected to bring as many as 2,000 scientists and professionals to the local community.
- UI's graduate student enrollment increased by 3.0 percent in the first semester of 2004. Undergraduate numbers, however, were slightly lower than the previous year's record enrollment.
- Hewlett-Packard, one of the nation's leading computer and printer manufacturers, has awarded a financial grant to UI for technology research that could give computers the ability to think like people. A team of Idaho researchers, led by inventor Richard Wells, could speed up research processes.
- The National Institutes of Health awarded UI \$5.1 million over five years to help build a biotechnology industry, keeping Idaho graduates within the state's borders. Under terms of the grant, university and college students will work with researchers on several projects, including studying Alzheimer's disease, viral birth defects, cancer and chemotherapy drugs, and alcohol dependence.
- UI will receive more than \$10 million in research funding from a large federal spending bill signed in November. In addition to acquiring nearly \$1.2 million for research on canola—a genetic variation of

rapeseed developed by Canadian plant breeders for uses such as cooking oil—other beneficiaries at UI include math, forestry and space research. The Lionel Hampton Artist in Residence and the Lionel Hampton Scholars program at the school were awarded \$400,000.

Nez Perce and Asotin (Washington) counties

- In early 2004, Potlatch Corp. announced a layoff of up to 50 workers in the consumer products division at their Lewiston plant. The decision to downsize is part of Potlatch's plan to control costs in a competitive market by streamlining production and expanding marketing, said Michael D. Sullivan, Potlatch's corporate spokesman in Spokane.
- One of Lewiston-Clarkston Valley's high-tech employers transferred operations to two Washington communities. Isothermal Systems Research moved about half of its 35 to 40 Clarkston employees to a research and development center in Pullman at the Port of Whitman County's industrial park. The remaining employees are moving to the company's Liberty Lake, Washington, site, which opened in 2002, where a majority of the company's 130 workers are already headquartered. The Liberty Lake site focuses on engineering and development of spray-cool systems for computers. Manufacturing will be moving from Clarkston to Liberty Lake in a couple of months.
- Tidyman's grocery store closed its Lewiston and Moscow locations in July 2004. The stores opened in 1968 and were among the first in the chain, but have been struggling financially for about three years, said Patty Kilcup, company spokeswoman in Spokane. The Lewiston stores' financial struggles predate the arrival of Safeway, which opened in the fall of 2002 across the street, Kilcup said. Tidyman's employed 23 people in Lewiston and 56 in Moscow, she added.
- A new 36,000-square-foot, 12-screen theater opened in Lewiston at the Nez Perce Plaza on Lewiston's Thain Grade.
- Regence BlueShield of Idaho, one of Lewiston's largest private employers, lost the medical insurance contract for the State of Idaho. Regence had planned to build a new office building in the Lewiston Industrial Park, but revised plans to remodel and add onto its existing building in Lewiston instead.
- Potlatch Corp. became the first publicly traded timber company in the nation to win certification from the Forest Stewardship Council for managing forestland in an environmentally friendly way. Potlatch's management of its 670,000 acres of forestland in Idaho met the council's rigorous standards.
- Nez Perce Tribal leaders have announced designs for a new casino. Group West, an architecture firm from Seattle, has finished final plans for a two-phase project that includes a casino and motel. The casino will

feature a bingo parlor, meeting center, a sports bar and buffet-style eatery. The tribe hopes to complete construction by June 2006 for the Lewis & Clark Bicentennial signature event, which is expected to draw thousands of tourists. The event is part of a national project commemorating the Lewis & Clark expedition.

- Thirty-two new homes are being built in the Sundown Heights subdivision south of Lapwai. Construction started in November 2004 and the homes, which cost a total of \$3.7 million, will mark the end of seven years of planning. The final house will be finished by next September. The roads, sewer systems and street lights were ready by the end of 2002 at a cost of \$3.5 million. The 100-acre subdivision is designed to accommodate 64 homes.
- The Nez Perce Tribe awarded more than \$200,000 in gaming revenue to area schools.
- 2004 was the busiest year yet for cruise boats and their passengers according to the Port of Clarkston.
- Two sources of adult refreshments in north central Idaho and southeastern Washington have changed hands in 2004. King Beverage, an Anheuser-Busch distributor in Spokane, has purchased Frontier Distributing, which served Lewiston, Moscow and Pullman, and Valley Beverage, which covered Clarkston and Walla Walla. As a result of the purchase, two warehouses were closed—one in Clarkston that Valley Beverage had operated and one in Pullman that Frontier Distributing had operated. All of the approximately 20 employees in Lewiston, Clarkston, Moscow and Pullman were offered jobs with King Beverage. King Beverage has plans to expand the operation of the former Frontier Distributing at 2004 Fourth Avenue North in Lewiston, a move that could boost employment there.
- Potlatch Corp. announced the sale of its oriented strand board (OSB) plants in Grand Rapids, Bemidji and Cook, all in Minnesota, to Ainsworth Lumber Co. Ltd., headquartered in Vancouver, British Columbia. OSB has been the powerhouse in Potlatch's financial recovery following three years of losses that ended in 2002. The sale will also help Potlatch move toward its goal of debt reduction by providing it with enough money to meet most of its debt when combined with cash on hand. In September 2004, the corporation said it will use some of the money from the Minnesota mills sales to increase pension investments and shareholder value.
- Delta Air Lines, the City of Lewiston and Valley Vision (Nez Perce & Asotin counties' economic development organization) agreed to a plan establishing two daily round-trip nonstop flights from Lewiston to Salt Lake City. A one-year trial started February 1 using 50-passenger jets. The agreement guarantees Delta or a subsidiary will be reimbursed as much as \$3,500 per

flight, with the amount reduced depending on the number of seats sold. The money is provided by a federal Department of Transportation Small Community Air Service Development Grant awarded to the city in early 2004.

- The new 100,000-square-foot, three-level Lewis-Clark State College Activity Center has been completed. Groundbreaking on the estimated \$15 million project took place in August 2003. The activity center is the first phase of an improvement project that will include additional parking lots, demolition of the old Warrior Gym and its annex, which will be replaced with an auxiliary gym and classrooms.

CURRENT DEVELOPMENTS

Nez Perce and Asotin (Washington) counties

- Twin City Foods suspended its growing and processing operations in Lewiston and the surrounding region for 2005 because of transportation costs and sluggish demand for peas. The decision means 45 full-time employees will be laid off including the 16 maintenance and warehouse positions suspended in October. "In the last few years, we have seen our margins disappear despite all of our efforts to control costs," according to a news release from Twin City Foods. "This has left the company few choices but to consolidate our pea processing operations." The decision is an indication of how challenging it has become for Lewiston's only vegetable processing plant, which has been in operation since 1947, providing stable manufacturing jobs. The jobs being suspended are ones with medical benefits and vacation. The majority are filled by people who have had them for more than 20 years, said Mike Weiss, plant manager of the Lewiston division of Twin City Foods. The decision also affects about 30 farmers who raise peas on contract for Twin City Foods in this region and 200 part-time employees the company hires for harvest. Twin Cities will continue to evaluate the potential of Lewiston on a regular basis, according to the news release. "Management remains optimistic that its business will improve to the point it will be able to resume harvest and processing operations during the 2006 harvest season." In 2000, Twin Cities laid off 25 employees when the retail packaging operation ceased in Lewiston.

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